
Finance Committee

HB 2610

Brief Description: Concerning the valuation of exempt property for property tax assessment purposes.

Sponsors: Representatives McIntire, Condotta and Chase.

Brief Summary of Bill

- Eliminates requirement for county assessor to value property exempt from property tax.

Hearing Date: 1/25/08

Staff: Rick Peterson (786-7150).

Background:

All real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided by law. The State Constitution gives the Legislature the power to exempt property from taxation, and a number of exemptions have been enacted.

The county assessor determines assessed value for each property. In addition to listing and value taxable real property, the assessor is required to keep a list of properties that are exempt from property tax. The list includes a description of the property, the owner, and the property's value. Major categories of exempt properties are: publicly owned property, property owned by nonprofit organizations, and private property. Generally, the assessor is not required to place a value on publicly owned property. However, public property that is leased to a private person is subject to the leasehold excise tax. The leasehold excise tax is 12.84 percent of the contract rent. If the contract rent does not reflect market value then the contract rent used for purposes of calculating the tax may be determined from a fair rate of return on the market value of the property. The department of Revenue or the lessee may request the assessor to value the public property.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The county assessor is no longer required to value property that is exempt from property tax. The assessor may value exempt property if a value is required for special or administrative assessments.

Appropriation: None.

Fiscal Note: Requested on January 15, 2008.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.